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BY EMAIL

March 31, 2010

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Talbot Windfarm LP
Board Staff Submissions
Board File No. EB-2010-0061**

Please find attached the Board Staff's Submission with respect to the above proceeding.

Yours truly,

Original signed by

Edik Zwarenstein
Project Advisor, Applications
Attachment

cc: Applicant



ONTARIO ENERGY BOARD

STAFF SUBMISSION

**NOTICE OF MOTION BY TALBOT WINDFARM LP FOR
REVIEW AND VARIANCE OF A DECISION OF THE ONTARIO
ENERGY BOARD DATED OCTOBER 28, 2009**

EB-2010-0061

March 31, 2010

Introduction

The Applicant, Talbot Windfarm LP (“Talbot”) has served notice of a motion to review and vary the Board Decision of October 28, 2009 (EB-2009-0290), which approved the construction of a transmission line and related facilities, to amend Condition 1.5 of the Conditions of Approval, forming Appendix A to the Board Decision, which required that a Final Customer Impact Assessment (“Final CIA”) be provided prior to commencing site activity. Ontario Energy Board staff conditionally supports granting relief from the requirement to provide a Final CIA prior to commencing construction for this project. Board staff submits that certain conditions need to be applied to this relief to ensure that the public interest is protected.

Purpose of the Requirement to File a Final CIA

The filing requirement for a CIA is included in the Board’s Minimum Filing Requirements of July 17, 2006 and is a requirement of the Transmission System Code section 6.4.3. The purpose of the CIA is to “assess the impact of a proposed new or modified connection on existing customers”. In this application, the CIA has apparently shown that some mitigation measures need to be installed so that customers connected to the line of the transmission company to which the Applicant is seeking to connect their facility, are not detrimentally affected.

Board staff Concerns

a) Customer Impact Assessment

The Applicant has provided, in confidence to the Board, an unsigned CIA dated October 14, 2009. The Applicant has also submitted a report from Hydro One Networks Inc. (“Hydro One”) which states that it has to revise the CIA to account for the need for mitigation of short circuit levels which arise from the connection of four windfarms, including the Talbot windfarm (“Hydro One report”). While the Hydro One report recognizes that there are a total of four windfarm generators being connected in the area, and states that short circuit levels are exceeded, it does not appear to include any studies of the means by which it intends to mitigate the short circuit problem, which Hydro One has cited as the reason for the delay in issuing the CIA, or the consequences, if any, of the mitigation.

b) Cost of Mitigation Measure

While Talbot indicates its willingness to carry its share of “any commercially reasonable mitigation measures” it is not clear what will occur if Talbot finds the cost is not “commercially reasonable”. The Board is also not aware of any commitment from the other parties that would have to share the cost of the mitigating measures.

c) System Impact Assessment

Board staff has a similar concern with the System Impact Assessment submitted to the Board as part of the original application, dated November 26, 2009 and marked as “Final Report”. It too reflects consideration of the effects of the four windfarm generators but does not identify having taken into account any short circuit mitigating means. While it may not have an effect on the conclusion by the IESO that the results would not degrade system security, Board staff submits that such assurance should also be provided.

d) Land Matters

Condition 1.5 also implicitly ensures that facilities are not constructed in the first place if their effect on other customers on the connecting transmission line would not be acceptable. Such facilities, if they were constructed and were not used and not useful, would represent an unnecessary and unreasonable imposition on the owners and leaseholders of the lands and the public in general. If relief is granted from the requirement to produce a final CIA then Board staff submits that conditions should be placed on the Applicant to ensure that if the facilities do not become used and useful within a reasonable time, the applicant will assume the liability to undo all the construction work that is completed.

Summary

Board staff submits that the Board should grant relief to the Applicant from Condition 1.5 of the Conditions of Approval by allowing site activity to commence, provided that: the applicant

- a) Provides a Final Customer Impact Assessment, which includes the short circuit mitigation measure, prior to connecting the facilities to the grid;
- b) assumes responsibility, in the event that the facility is not placed in service within one year, for the undoing of constructed works in the way of site activity, including removal of the constructed facilities and restoration to original condition of the affected areas; and

- c) Provides assurance, prior to connection of the facility to the grid, that the Final System Impact Assessment is valid for the system with the short circuit level mitigation installed.

ALL OF WHICH IS RESPECTFULLY SUBMITTED